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**DEPARTMENT OF COMMERCE
Foreign-Trade Zones Board
[B-38-2019]**

**Foreign-Trade Zone (FTZ) 38 – Spartanburg County, South Carolina
Notification of Proposed Production Activity
Teijin Carbon Fibers, Inc.
(Polyacrylonitrile-based Carbon Fiber)
Greenwood, South Carolina**

The South Carolina State Ports Authority, grantee of FTZ 38, submitted a notification of proposed production activity to the FTZ Board on behalf of Teijin Carbon Fibers, Inc. (TCF), located in Greenwood, South Carolina. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on June 7, 2019.

The applicant indicates that it will be submitting a separate application for FTZ designation at the TCF facility (currently under construction) under FTZ 38. The facility will be used for the production of polyacrylonitrile-based (PAN) carbon fiber. Pursuant to 15 CFR 400.14(b), FTZ activity would be limited to the specific foreign-status materials and components and specific finished product described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt TCF from customs duty payments on the foreign-status components used in export production. On its domestic sales, for the foreign-status materials/components noted below, TCF would be able to choose the duty rate during customs entry procedures that applies to carbon fiber (duty free). TCF would be able to avoid duty on foreign-status components which become

scrap/waste. Customs duties also could possibly be deferred or reduced on foreign-status production equipment.

The components and materials sourced from abroad include sizing agent, spinning oil, 12,000 tow PAN precursor and 24,000 tow PAN precursor (duty rate ranges from 5.3% to 7.5%). The request indicates that certain materials/components are subject to special duties under Section 301 of the Trade Act of 1974 (Section 301), depending on the country of origin. The applicable Section 301 decisions require subject merchandise to be admitted to FTZs in privileged foreign status (19 CFR 146.41).

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive Secretary and sent to: ftz@trade.gov. The closing period for their receipt is [INSERT DATE 40 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

A copy of the notification will be available for public inspection in the "Reading Room" section of the Board's website, which is accessible via www.trade.gov/ftz.

For further information, contact Diane Finver at Diane.Finver@trade.gov or (202) 482-1367.

Dated: June 18, 2019

Andrew McGilvray,
Executive Secretary.

[FR Doc. 2019-13364 Filed: 6/21/2019 8:45 am; Publication Date: 6/24/2019]